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September 8, 2006

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VIA OVERNIGHT MAIL

2006 SEP 12 10:28

**AZ CORP COMMISSION
DOCUMENT CONTROL**Arizona Corporation Commission
DOCKETED**SEP 12 2006**Docket Control Center
Arizona Corporate Commission
1200 West Washington
Phoenix, AZ 85007

DOCKETED BY	<i>MR</i>
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Re: T-03267A-06-0412
McLeodUSA Telecommunications Services, Inc. Responses to Data Request

Docket Control:

McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") hereby transmits for filing an original and thirteen (13) copies of our responses to the ACC's Data Request (dated August 21, 2006). Portions of the responses are PRIVILEGED and CONFIDENTIAL. Those portions have been blacked-out in the enclosed original and copies. A PRIVILEGED and CONFIDENTIAL version has been provided directly to ACC staff, Wil Shand.

The following is a list of the attachments to this letter:

- McLeodUSA response to the ACC Data Request, Public version with the PRIVILEGED and CONFIDENTIAL portions blacked-out;
- Applicable excerpts from competitor's tariffs referenced in the response;
- Copies of the customer notices and affidavit.

Please file stamp the extra copy and return it to me in the enclosed, self-addressed, stamped envelope. If you have any questions regarding this Data Request response please contact me at jredman-carter@mcleodusa.com or (319) 790-2250. Thank you for your time and consideration in this matter.

Sincerely,

Julia Redman-Carter
Regulatory Analyst

Attachments

**McLeodUSA Telecommunications Service, Inc. Response to the Arizona
Corporation Commission Staffs Data Request**
Docket No. T-03267A-06-0412

August 25, 2006


A. Request for Increase in Maximum and Actual Rate for Business On-Switch Wire Care Service

McLeodUSA Telecommunications Service, Inc. has submitted for approval a request to increase its Business On-Switch Wire Care actual and maximum rate from the currently tariffed \$4.00/month to \$6.25/month. Included below is the response to the Staff's request for data to support this change.

- 1) McLeodUSA Telecommunication Service, Inc. is requesting an increase in its Business On-Switch Wire Care rate to bring the price for this service in line with equivalent services offered by its retail competitors. The table below outlines the current retail rates offered by some of our retail competitors for their Wire Care equivalent service in the state of Arizona. The referenced tariff pages have also been included as attachments to this response.

Service Provider	Product	Retail Rates		Tariff Reference
		Actual	Maximum	
Qwest Corporation	Business UNISTAR Service	\$6.25	\$18.75	AZ QC Competitive Exchange and Network Services Price Cap Tariff No.2 Section 13.4.F Page 28
XO Communications	Wire Maintenance Plan	\$12.00	None	Arizona #4 – Local Exchange Services Tariff Section 3.46.10 Page 205
AT&T Communications	Inside Wire Maintenance Plan	\$6.55	None	Arizona Local Exchange Services Tariff Section 7.4.D Page 9

- 2) The request for a rate increase for the McLeodUSA Business On-Switch Wire Care service is not in response to a change in our costs for providing this service. See the answer to question number one (1) above for our reasoning behind this request.
- 3) As requested, the table below outlines the schedule of rates and the additional revenues that will be derived from the proposed rate increase:



- 4) An affidavit verifying the appropriate notice of the proposed rate increase has been provided to customers of this service with our original request on June 22, 2006, but is being included as an attachment to this request as well.
- 5) A copy of the customer notification sent to customers of this service has been provided with our original request on June 22, 2006, but is being included as an attached to this request as well.

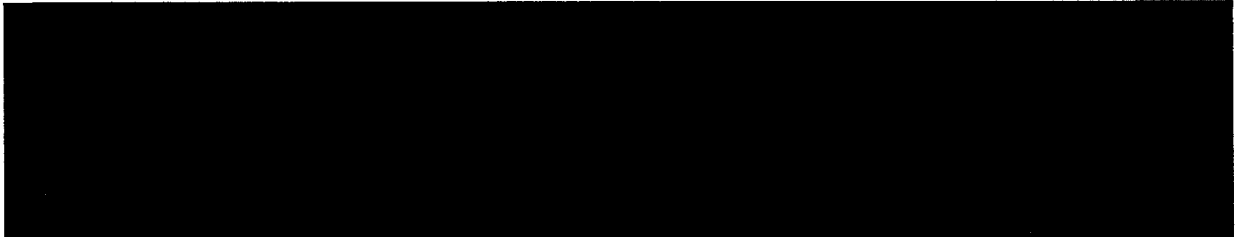
B. Request for Increase in Maximum and Actual Rate for Residential OneLine Preferred Package

McLeodUSA Telecommunications Service, Inc. has submitted for approval a request to increase its Residential OneLine Preferred Package actual and maximum rate from the currently tariffed \$19.95/month to \$28.95/month. Included below is the response to the Staff's request for data to support this change.

- 1) McLeodUSA Telecommunication Service, Inc. is requesting an increase in its Residential OneLine Preferred Package rate to recover our costs for this service. Information supporting this claim can be found in the response to item #2 below.
- 2) The request for a rate increase for the McLeodUSA Residential OneLine Preferred Package is measure to ensure adequate margin is maintained. The table below outlines our costs for providing service and the resulting margins with both current and proposed retail pricing.



- 3) As requested, the table below outlines the schedule of rates and the additional revenues that will be derived from the proposed rate increase:



- 4) An affidavit verifying the appropriate notice of the proposed rate increase has been provided to customers of this service has been provided with our original request on June 22, 2006, but is being included as an attachment to this request as well.
- 5) A copy of the customer notification sent to customers of this service has been provided with our original request on June 22, 2006, but is being included as an attached to this request as well.

COMPETITIVE
EXCHANGE AND
NETWORK SERVICES

Qwest Corporation
Price Cap Tariff No. 2
Arizona

SECTION 13
Page 28
Release 1

Issued: 4-24-06

Effective: 5-1-06
Per Decision No. 68604

13. CUSTOMER PREMISES WIRE AND MAINTENANCE PLANS

13.4 BUSINESS MAINTENANCE PLANS (CONT'D)

F. Rates and Charges

	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
• Business <i>UNISTAR</i> Service			
- Per line or per circuit termination, each[1]	USP1X	\$18.75	\$6.25
- Per PBX trunk, each	USP2X	18.75	6.25
- Per Centrex, CENTRON Custom station lines, each	USP3X	18.75	6.25

[1] Applies to *CENTRON* 6 and 30 access lines.

LOCAL EXCHANGE SERVICES TARIFF

SECTION 3 - SERVICE OFFERINGS, RATES & CHARGES (CONT'D.)

3.46 Wire Maintenance Plan, (Cont'd.)

3.46.8 Termination

Customers may terminate participation in the Wire Maintenance Plan at any time by giving notice to the Company as set forth under the Notices provision of the Voice Service Order/Integrated Access Order form. The Company may terminate Customer's participation in the Wire Maintenance Plan as provided for under the Voice Service Order/Integrated Access Order form.

3.46.9 Effective Date

Commencement of coverage under the Wire Maintenance Plan for existing voice service shall not be effective until thirty (30) days after the Company receives Customer's request to commence the Wire Maintenance Plan. Commencement of coverage under the Wire Maintenance Plan for new voice service shall be effective on a date to be determined by the Company, which shall not be later than thirty (30) days after the installation of said new voice service. Should Customer subscribe to the Wire Maintenance Plan at the same time Customer request service on an inside wire or jack problem, the Wire Maintenance Plan will not cover service for that particular visit or problem, and Customer will be charged a maintenance service charge in accordance with the Company's Tariffed List Price.

3.46.10 Bates

Rates, per line/trunk	\$ 12.00
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AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.

ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: December 14, 2004

PRICE LIST

EFFECTIVE: December 15, 2004

FIRST REVISED PAGE 9

BY: Leslie Buford-Tariff Administrator

CANCELS ORIGINAL PAGE 9

7. AT&T Local Exchange Services

7.4 Features (Cont'd)

D. Inside Wire Maintenance Plan

	<u>Non-Recurring</u>	<u>Monthly</u> <u>Charge</u>	
Wire Maintenance - Per Line		\$6.55	(I)
Maintenance Service Call	\$150.00		

State of Iowa

County of Linn

AFFIDAVIT OF ELAINA KEMPIN

I, Elaina Kempin, being duly sworn on oath, do hereby verify that the attached notice for the proposed WireCare increase was distributed via direct mail on June 8, 2006 to all potentially impacted business customers in Arizona.

Also, the attached notice for the proposed OneLine Package increase was distributed via direct mail on June 8, 2006 to all potentially impacted residential customers in Arizona.

Further Affiant sayeth not.

Elaina Kempin
(Signature)

Subscribed and sworn to before me this 21st day of June, 2006.



Jennifer C. Jones
Notary Public



P.O. Box 3177
Cedar Rapids, IA 52406-3177

mcleodusa.com

June 7, 2006

Dear McLeodUSA Customer,

Thank you for your continued business with McLeodUSA. Due to recent changes in the telecommunications industry, the cost of providing your local phone service has changed.

McLeodUSA is proposing the following price changes to its OneLine PreferredSM Package.

McLeodUSA Preferred Advantage[®] Local Voice Package	Current Actual and Maximum Rate	Proposed Actual and Maximum Rate
OneLine Preferred SM Package	\$19.95	\$28.95

These changes may increase your total charge. These changes will be voted on at a future Open Meeting of the Arizona Corporation Commission (Commission). These changes will become effective only upon approval by the Commission.

As always, McLeodUSA is committed to answering your questions about our service, explaining all aspects of your monthly bill and providing you with the personal attention you deserve. If you should have any questions, please call a StarQuality[®] Customer Care Representative at 1-800-500-3453. If you have further questions, you may contact the Consumer Services Section of the Commission at 602-542-4251 or 800-222-7000 or you may go to its website at <http://www.cc.state.az.us>.

Again, thank you for your business.

Your McLeodUSA Customer Care Team



P.O. Box 3177
Cedar Rapids, IA 52406-3177

mcleodusa.com

June 7, 2006

Dear McLeodUSA Customer,

Thank you for your continued business with McLeodUSA. Due to recent changes in the telecommunications industry, the cost of providing your local phone service has changed.

McLeodUSA is proposing the following price changes to its Wirecare.

Business Feature	Current Actual and Maximum Rate	Proposed Actual and Maximum Rate
Wire Care	\$4.00	\$6.25

These changes may increase your total charge. These changes will be voted on at a future Open Meeting of the Arizona Corporation Commission (Commission). These changes will become effective only upon approval by the Commission.

As always, McLeodUSA is committed to answering your questions about our service, explaining all aspects of your monthly bill and providing you with the personal attention you deserve. If you should have any questions, please call a StarQuality® Customer Care Representative at 1-800-593-1177. If you have further questions, you may contact the Consumer Services Section of the Commission at 602-542-4251 or 800-222-7000 or you may go to its website at <http://www.cc.state.az.us>.

Again, we thank you for your business.

Your McLeodUSA Customer Care Team